

**BUREAU OF AUTOMOTIVE REPAIR**

**INITIAL STATEMENT OF REASONS**

**HEARING DATES:**

No Hearing Scheduled

**SUBJECT MATTER OF  
PROPOSED REGULATIONS:**

Consumer Assistance Program Vehicle  
Retirement Option Eligibility Revisions.

**SECTIONS AFFECTED:**

§ 3394.4 of Article 11, Chapter 1, Division  
33, Title 16, California Code of Regulations.

**SPECIFIC PURPOSE OF REGULATORY PROPOSAL:**

This proposed regulatory action seeks to increase participation in the Vehicle Retirement (VR) option of the Consumer Assistance Program (CAP). This will be accomplished by increasing the number of days a consumer may apply for the program after the expiration of their vehicle's most current renewal of registration with the Department of Motor Vehicles (DMV) from one hundred twenty (120) days to one hundred eighty (180) days and increasing the number of days a consumer may apply to the program, based on the registration renewal date from 120 days to 180 days prior to the postmarked date on the application.

The proposal seeks to reduce air pollution caused by high emitting vehicles. Reducing emissions from high emitting vehicles helps to improve California's air quality and assists the state in meeting its federal clean air goals.

The proposed action will make the following changes to existing regulation:

1. Amend paragraphs (4) and (6) of subsection (c) of Section 3394.4 to increase from 120 days to 180 days, the time frame applicable to the vehicle's most current renewal of registration with DMV and the postmarked date of the CAP application.

Expanding the number of days after the most current registration with the DMV provides a greater window of opportunity for the consumer to participate, accomplishing three objectives: 1) to offer the VR option to a greater portion of California motorists; 2) to reduce the number of high emitting vehicles on the California roads; and 3) to improve air quality in California. Expanding the

number of days prior to the postmarked date on the application for the VR option makes the regulation clear and consistent.

### **FACTUAL BASIS:**

The Bureau of Automotive Repair (Bureau), located within the Department of Consumer Affairs (DCA), is the state agency charged with the administration and implementation of the Smog Check Program (Program). The Program is designed to reduce emissions from mobile sources, such as passenger vehicles and light trucks, by requiring that these vehicles meet specific in-use emissions standards as verified by periodic inspections. To ensure uniform and consistent vehicle testing, the Bureau licenses Smog Check stations and technicians and certifies inspection equipment.

Air pollution contributes to respiratory health problems. Asthma is the most prevalent chronic disease among California children. According to a UCLA Center for Health Policy Research study published in 2003<sup>1</sup>, one in six California children suffer asthmatic symptoms annually. Data from a 2006 report by the American Lung Association®<sup>2</sup> suggest that 2.3 million Californians suffer from this debilitating disease.

The Bureau is charged with the implementation and administration of CAP, which includes both repair assistance (RA) option and a VR options. The purpose of the VR option is to:

- Provide eligible consumers with the voluntary option of retiring their vehicles that have failed a biennial Smog Check inspection, or a Smog Check inspection subsequent to being issued a notice to correct for an alleged smog-related violation.
- Encourage greater low-income consumer participation in the VR option because owners of high emitting vehicles are predominantly of a lower-income bracket and cannot afford to purchase newer lower-emissions vehicles.
- Achieve the emissions reduction objectives established in the SIP and help the Program meets equivalency with federal regulatory standards.

Other conditional requirements for participation in the VR option include that the individual is one or both of the following:

1. The owner of a motor vehicle that has failed a Smog Check inspection.

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<sup>1</sup> YY Meng, SH Babey, E Malcolm, ER Brown, and N Chawla. *Asthma in California: Findings from the 2001 California Health Interview Survey*. Los Angeles: UCLA Center for Health Policy Research, 2003.

<sup>2</sup> *American Lung Association State of the Air: 2006*, American Lung Association®, April 27, 2006.

2. The owner of a motor vehicle who was issued a notice to correct for an alleged violation of Section 27153 or 27153.5 of the Vehicle Code involving that vehicle, if the vehicle subject to that notice has failed a Smog Check inspection subsequent to receiving the notice.

DCA is required to offer a VR option, funded by the High Polluter Repair or Removal Account created pursuant to subdivision (a) of Section 44091. Funds available pursuant to paragraph (1) of subdivision (d) of Section 44091 shall be used to purchase and retire mobile source emission reduction credits resulting from the retirement of light-duty vehicles for the purpose of achieving the emission reductions required by the State Implementation Plan (SIP).

**Underlying Data:**

- *Asthma in California: Findings from the 2001 California Health Interview Survey.* Los Angeles: UCLA Center for Health Policy Research, 2003
- *American Lung Association State of the Air: 2006*, American Lung Association®, April 27, 2006

**Business Impact:**

These regulations will not have any adverse economic impact on businesses. This initial determination is based on the following facts or evidence/documents/testimony:

Increasing the allowable amount of time between a vehicle's most current renewal of registration with DMV and the postmarked date on the application will help more consumers become eligible to participate in the VR option. Dismantlers will actually receive additional vehicles through this proposed change. This will result in an additional amount of administrative cost reimbursement from CAP, as well as additional revenue from the sale of salvage materials resulting from the additional vehicles being retired.

**Specific Technologies or Equipment:**

These regulations do not mandate the use of specific technologies or equipment.

**Consideration of Alternatives:**

No reasonable alternative which was considered or that has otherwise been identified and brought to the attention of the Bureau would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation.

No reasonable alternative has been considered or identified.